

Message Text

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PAGE 01 STATE 188241
ORIGIN NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 EB-08 SOE-02 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 DOE-15 H-01 INR-10
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11
OES-09 SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /150 R

DRAFTED BY NEA/AFN:TSWILKINSON:MAR
APPROVED BY NEA:NAVELIOTES
EUR/WE:AHUGHES (INFO)
EB/ORF/FSE:RLANDERS (INFO)
NEA/AFN:JKBISHOP

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FM SECSTATE WASHDC
TO AMEMBASSY MADRID
INFO AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY ALGIERS
AMEMBASSY NOUAKCHOTT

C O N F I D E N T I A L STATE 188241

E.O. 11652: GDS

TAGS: PEPR, SS, SP, MO, MR

SUBJECT: ALGERIAN GAS CONTRACTS AND SAHARA: SPANISH
CHARGE'S CALL ON DEPUTY ASSISTANT SECRETARY VELIOTES

REFS: (A) MADRID 8318; (B) MADRID 8390

1. SPANISH CHARGE PEREZ RODRIGO PAID OFFICE CALL ON
VELIOTES ON JULY 21 TO ASK ABOUT STATUS OF EL PASO II AND
TENNECO GAS CONTRACTS WITH ALGERIA AND LATEST U.S. VIEWS
ON EFFECT OF EVENTS IN MAURITANIA ON WESTERN SAHARA ISSUE.

CONFIDENTIAL

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PAGE 02 STATE 188241

2. ON GAS CONTRACTS, VELIOTES EXPLAINED THAT USG HAD NOT
BEEN ABLE TO ACT BECAUSE BASIC QUESTIONS OF ENERGY POLICY
REMAINED TO BE RESOLVED WITH CONGRESS. IN ADDITION, ALGER-
IANS WANTED A PRICE ESCALATOR LINKED TO OPEC OIL PRICE,
WHICH WOULD CERTAINLY CAUSE US DIFFICULTIES. ALGERIANS WERE
TAKING ORDERS FROM A NUMBER OF OTHER COUNTRIES FOR AN IN-
CREASINGLY LARGE PERCENTAGE OF THEIR PROVEN GAS RESERVES,

BUT IF OUR PROBLEMS COULD BE RESOLVED U.S. MIGHT STILL CONTRACT FOR ADDITIONAL LNG FROM ALGERIA.

3. ON SAHARA, VELIOTES GAVE PEREZ COPY OF REFTEL (SALEK'S JULY 20 PRESS INTERVIEW IN MADRID) AND SAID INTERVIEW AP-

PEARED CONSISTENT WITH OTHER INFO AVAILABLE TO US ABOUT ATTITUDES OF NEW MAURITANIAN GOVERNMENT. IN REPLY TO FURTHER QUESTIONS, VELIOTES SAID THAT SPANISH VIEW OF MOROCCAN/MAURITANIAN STATUS IN THE SAHARA APPEARED VIRTUALLY THE SAME AS OURS (I.E., RECOGNITION OF THEIR ADMINISTRATION OF REGION BUT NOT SOVEREIGNTY UNTIL THERE IS INTERNATIONAL CONSENSUS THAT PEOPLE OF SAHARA HAVE HAD OPPORTUNITY TO EXERCISE THEIR RIGHT OF SELF-DETERMINATION). PEREZ ASKED IF U.S. HAD SUPPORTED SPANISH INITIATIVE TO PROVIDE GOOD OFFICES FOR A CONFERENCE OF THE PARTIES. VELIOTES SAID WE HAD NOT YET BEEN ASKED TO DO SO, BUT WERE INCLINED TO SUPPORT ANY PROMISING EFFORT TOWARDS A RESOLUTION OF THE DISPUTE AS LONG AS WE WERE NOT ASKED TO PLAY A LEADING ROLE. AMONG OTHER REASONS FOR REMAINING IN THE BACKGROUND, THE U.S. DID NOT WANT TO GIVE THE SOVIETS AN OPENING FOR DEEPER INVOLVEMENT IN THE REGION.

4. WE ASSUME PEREZ WAS ACTING ON INSTRUCTIONS. HE DID NOT SEEM AS WELL-INFORMED ON REGIONAL ISSUES AS OUR REGULAR EMBASSY CONTACT (FIRST SECRETARY SALAS) AND DID NOT CONFIDENTIAL

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PAGE 03 STATE 188241

WANT TO GO MUCH BEYOND GENERALITIES. VANCE

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